This record is a partial extract of the original cable. The full text of the original cable is not available.

C O N F I D E N T I A L SECTION 01 OF 02 CARACAS 000509

NSC FOR CBARTON AND TSHANNON HQ USSOUTHCOM ALSO FOR POLAD

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TAGS: <u>ELAB PGOV KDEM PHUM VE</u> SUBJECT: UNION LEADERS DIVIDE WHILE WORKER DISCONTENT GROWS

REF: 04 CARACAS 03164

Classified By: A/DCM Abelardo A. Arias for Reason 1.4(b).

Summary

11. (C) Senior leaders of Venezuela's two principal labor confederations -- one pro-Chavez, the other in opposition -- are gridlocked over upcoming elections in their respective organizations. The traditional Venezuelan Workers Confederation (CTV) is split over whether to roll back a reform for the direct election of its leaders. The National Workers' Union (UNT), a GOV supporter, is fractured over a proposal to invite every formal worker, regardless of union membership, to participate in its election. While the debate continues, senior labor leaders appear to be unable or unwilling to shift from older models of achieving and maintaining power through political party alliances to responding to their members on issues. End summary.

CTV Considers Return To Indirect Elections

- 12. (C) The Venezuelan Workers Confederation (CTV), Venezuela's oldest labor confederation, had tried to move up its 2005 elections to coincide with those at the union and federation level, which typically draw more worker interest (ref). According to various labor leaders, the differences of opinion are such that the CTV elections will have to be held at their regularly scheduled time at the end of the The CTV's executive committee has been bogged down in proposals for different election scenarios. Manuel Cova, the CTV's secretary general and acting president in the absence of exiled strike leader Carlos Ortega, advocates a return to the traditional model of electing confederation leaders by a vote of the boards of CTV's 850 affiliates. Others are calling for an open vote of CTV's one million members.
- 13. (C) The National Electoral Council (CNE), empowered by the constitution to oversee union elections, issued new regulations for union elections in December 2004. Urbieta, head of CTV's labor studies institute and member of the International Labor Organization's (ILO) Administrative Committee, said the new rules, if followed, would "destroy the CTV." Among his objections, Urbieta highlighted the Among his objections, Urbieta highlighted the requirement to provide the CNE with names of all affiliated CTV workers, which he said could be used by the GOV to harass them as happened with persons who signed to recall President Hugo Chavez. Urbieta said that while the CTV executive council is prepared to flout the CNE's oversight, it has nevertheless recommended that their unions and federations abide by the new rules. At the local and federation level, Urbieta explained, unions run the risk of losing their legal identity if elections are not certified, which would impede vital union functions such as collective bargaining. Urbieta said the CTV plans to contest the CNE requirement in March at the ILO, which had already determined that the laws upon which the new rules are written violate ILO Convention 87 on freedom of association.

UNT Faction Seeks Open Elections

14. (C) The pro-Chavez National Workers' Union (UNT) has survived for two years with a cumbersome executive committee and no president. Major factions within the UNT were hoping to hold elections early in 2005, but disputes among UNT's principal factions have slowed progress. Franklin Rondon, UNT national coordinator and leader of the GOV-aligned federal workers federation, publicly proposed that every worker registered in social security, regardless of union affiliation, be included in the UNT election. Rondon told poloff February 9 that opening the election up to some 4.5 million workers would make the new UNT president the second most popularly elected official in Venezuela, after President Chavez. (Rondon, a former Christian Democrat (COPEI) member of the CTV's executive council, said his faction is supporting popular Bolivar State union leader Ramon Machuca for presidency of the UNT.) UNT rival Orlando Chirino

publicly questioned the responsibility of Rondon's proposal, saying that labor collectives are built by enlisting member unions, not by having millions of workers participate in elections. Rondon ally Francisco Torrealba told poloff February 9 his group also fears manipulation by Minister of Labor Maria Cristina Iglesias, who favors the Chirino faction over that of Rondon, Torrealba, and Machuca.

The Future Depends On The Base

15. (C) CTV and UNT leaders agree that the GOV has done little to improve conditions for workers because organized labor has been weakened. The CTV's Urbieta asserted that the GOV's half-hearted policy of pushing parallel unions under the UNT only serves to weaken labor's overall strength vis-a-vis government and management. Torrealba said the GOV also undercuts unions by promoting the establishment of cooperatives -- groups of informal workers who win contracts in the public sector for services such as trash collection, maintenance, and uniform manufacturing. Antonio Suarez, head of the CTV's public sector federation and leader of a small coalition of young union leaders, predicted that without a renewal in CTV leadership, the CTV will continue to decline in political and social relevancy. Both Suarez and Rondon reported that union leaders from the opposing side have started attending each others' workplace meetings. Suarez said the message was clear: unions need to forget politics and unite around issues.

What Chavez Wants From Labor

16. (C) Urbieta pointed out that Chavez's revolutionary rhetoric is virtually silent on organized labor. Several labor leaders stated that Chavez opposes strong labor movements because they are a threat to his so-called civil-military model of governance. Rondon, whose movement supports the GOV despite advocating for union independence, admitted that his position has drawn criticism from radical Chavez supporters and that he has been frozen out of negotiations with the Ministry of Labor on union issues. He said his movement has "become a headache" for hard core Chavez supporters. For these reasons, Rondon asserted, he has been attacked as a corrupt union boss by some pro-Chavez media outlets. Looking ahead, Rondon hopes to present his own pro-labor candidates for National Assembly elections in December and, one day, to form a labor-based political party.

Comment

17. (C) Unions are on the hot seat to prove their relevancy to their members. The CTV leadership appears to be unprepared to undertake the fundamental changes needed to recapture its worker base, chief among them weaning the organization off its reliance on political parties and re-focusing it on issues that affect workers. The GOV is also exacerbating the CTV's dilemma by granting access to favored UNT unions in contract negotiations. The UNT, however, has its own identity crisis. Most of its leaders are recent CTV defectors, angry over the CTV's monolithic ways, and still not elected in their own right. True Chavez supporters do not trust UNT leaders and are suspicious of a labor agenda that is not in lockstep with the revolution. Integration of the CTV and UNT is unlikely, though a common front against the GOV on select labor issues is a possibility in the medium-term.

Brownfield